

Guidelines) last revised 10/20/99 is hereby incorporated in its entirety into this statement of work. See Addendum 1 of this Statement of Work.

- (5) The contractor, during the audit, shall also observe and analyze project activity, as outlined in the audit guidelines, report findings, observations and provide any recommendations to the Foundation's Auditor. Any deviations from the grant agreement by the grantee shall be documented by the contractor and reported to the Foundation's Auditor within 30 days following the exit conference date. Additional procedures for these and other "communication" requirements are also outlined in Addendum 1.

### **C. Deliverables**

Deliverables for grant audits shall consist of the following documents:

- (1) An audit report in the format prescribed in the guidelines shall be provided to the Foundation and in accordance with the time frames specified in subparagraph D., below. Specification of these time frames shall be determined in advance, based on the period of the grant agreement.
- (2) The report, in addition to expressing an opinion, shall include any findings, observations, and recommendations, relating to project operations, procedures and processes.
- (3) If requested, work papers (or duplicated copies of the auditors originals) identifying all analyses, work flow, concepts, audit adjustments and computations used to justify the aforementioned findings, observations and recommendations.
- (4) Periodic updates shall be provided, as needed or required to the Foundation's Auditor and or the Foundation's management staff during the audit to allow for discussion of potential findings.

### **D. Delivery Schedule**

- (1) The contractor shall ensure completion of all deliverables identified in paragraph I-C above in the time frames outlined in the individual grant agreements. The following is a general overview of deliverables:
- (2) Frequency of Audits – The audits shall be conducted in a time frame established by the terms and conditions of the grant agreements. The Foundation's Auditor will communicate with the contractor to ensure audit schedules are followed. The contractor shall comply with the following:
  - (a) Audit Schedule – An audit shall be conducted six months after the first disbursement of Foundation funds to the grantee and every eighteen months thereafter. A final audit shall be conducted within 30 days after the termination or expiration of grant agreement. Audit reports are due at the Foundation no later than 45 days following the commencement of the audit.
  - (b) Additional Audits – The contractor shall conduct audits as warranted by the terms of the contract.
- (3) Documentation – findings and observations shall be provided in accordance with audit guidelines specified as reportable conditions. Recommendations shall also be provided as required. Audit reports shall be submitted to the Foundation's Auditor.